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Financing of the United Nations peacekeeping forces in the Middle East: United Nations Interim Force in Lebanon

Report of the Fifth Committee

Rapporteur: Mr. Diego Simancas (Mexico)

I. Introduction

1. At its 2nd plenary meeting, on 13 September 2006, the General Assembly, on the recommendation of the Fifth Committee, decided to include in the agenda of its sixty-first session the item entitled "Financing of the United Nations peacekeeping forces in the Middle East: United Nations Interim Force in Lebanon" and to allocate it to the Fifth Committee.
2. The Fifth Committee considered the item at its 31st, 35th and 36th meetings, on 13, 20 and 21 December 2006. Statements and observations made in the course of the Committee's consideration of the item are reflected in the relevant summary records (A/C.5/61/SR.31, 35 and 36).
3. For its consideration of the item, the Committee had before it the following documents:
 - (a) Report of the Secretary-General on the financing of the United Nations Interim Force in Lebanon for the period from 1 July 2006 to 31 March 2007 (A/61/588);
 - (b) Letter dated 17 August 2006 from the Secretary-General addressed to the President of the General Assembly (A/60/986);
 - (c) Related report of the Advisory Committee on Administrative and Budgetary Questions (A/61/616).

II. Consideration of draft resolution A/C.5/61/L.17

4. At the 35th meeting, on 20 December, the representative of Nigeria informed the Committee that no consensus had been reached during the informal consultations on this item.

5. At the same meeting, the representative of South Africa, on behalf of the States Members of the United Nations that are members of the Group of 77 and China, introduced a draft resolution entitled "Financing of the United Nations Interim Force in Lebanon" (A/C.5/61/L.17).

6. At the 36th meeting, on 21 December, a recorded vote was requested on the fourth preambular paragraph and operative paragraphs 4, 5 and 21 of the draft resolution. A recorded vote was also requested on the draft resolution as a whole.

7. At the same meeting, the Committee voted on draft resolution A/C.5/61/L.17 as follows:

(a) The fourth preambular paragraph and operative paragraphs 4, 5 and 21 were retained by a recorded vote of 93 to 6, with 47 abstentions. The voting was as follows:

In favour:

Algeria, Angola, Antigua and Barbuda, Argentina, Armenia, Bahamas, Bahrain, Bangladesh, Barbados, Belarus, Belize, Benin, Botswana, Brazil, Brunei Darussalam, Burkina Faso, Burundi, Cambodia, Cape Verde, Chile, China, Colombia, Comoros, Congo, Costa Rica, Cuba, Djibouti, Dominican Republic, Ecuador, Egypt, El Salvador, Eritrea, Ethiopia, Guatemala, Guinea, Guyana, Haiti, Honduras, India, Indonesia, Iran (Islamic Republic of), Iraq, Jamaica, Jordan, Kazakhstan, Kenya, Kuwait, Kyrgyzstan, Lao People's Democratic Republic, Lebanon, Libyan Arab Jamahiriya, Malawi, Malaysia, Maldives, Mali, Mauritania, Mauritius, Mexico, Mongolia, Morocco, Mozambique, Myanmar, Namibia, Nepal, Niger, Nigeria, Oman, Pakistan, Paraguay, Peru, Philippines, Qatar, Russian Federation, Rwanda, Saint Lucia, Saudi Arabia, Sierra Leone, Singapore, South Africa, Sri Lanka, Sudan, Swaziland, Syrian Arab Republic, Thailand, Tunisia, Turkey, United Arab Emirates, United Republic of Tanzania, Venezuela (Bolivarian Republic of), Viet Nam, Yemen, Zambia, Zimbabwe.

Against:

Australia, Canada, Côte d'Ivoire, Israel, Palau, United States of America.

Abstaining:

Albania, Andorra, Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Ghana, Greece, Hungary, Iceland, Ireland, Italy, Japan, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Moldova, Monaco, Netherlands, New Zealand, Norway, Panama, Poland, Portugal, Republic of Korea, Romania, San Marino, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, the former Yugoslav Republic of Macedonia, Ukraine, United Kingdom of Great Britain and Northern Ireland, Uruguay.

(b) Draft resolution A/C.5/61/L.17, as a whole, was adopted by a recorded vote of 142 to 4, with 1 abstention (see para. 9). The voting was as follows:

In favour:

Albania, Algeria, Andorra, Antigua and Barbuda, Argentina, Armenia, Austria, Bahamas, Bahrain, Bangladesh, Barbados, Belarus, Belgium, Belize, Benin, Botswana, Brazil, Brunei Darussalam, Bulgaria, Burkina Faso, Burundi, Cambodia, Canada, Cape Verde, Chile, China, Colombia, Comoros, Congo, Costa Rica, Croatia, Cuba, Cyprus, Czech Republic, Denmark, Djibouti, Dominican Republic, Ecuador, Egypt, El Salvador, Eritrea, Estonia, Ethiopia, Finland, France, Gabon, Georgia, Germany, Ghana, Greece, Guatemala, Guinea, Guyana, Haiti, Honduras, Hungary, Iceland, India, Indonesia, Iraq, Ireland, Italy, Jamaica, Japan, Jordan, Kazakhstan, Kenya, Kuwait, Kyrgyzstan, Lao People's Democratic Republic, Latvia, Lebanon, Libyan Arab Jamahiriya, Liechtenstein, Lithuania, Luxembourg, Madagascar, Malawi, Malaysia, Maldives, Mali, Malta, Mauritania, Mauritius, Mexico, Moldova, Monaco, Mongolia, Morocco, Mozambique, Myanmar, Namibia, Nepal, Netherlands, New Zealand, Niger, Nigeria, Norway, Oman, Pakistan, Panama, Paraguay, Peru, Philippines, Poland, Portugal, Qatar, Republic of Korea, Romania, Russian Federation, Rwanda, Saint Lucia, San Marino, Saudi Arabia, Serbia, Sierra Leone, Singapore, Slovakia, Slovenia, Solomon Islands, South Africa, Spain, Sri Lanka, Sudan, Swaziland, Sweden, Switzerland, Syrian Arab Republic, Thailand, the former Yugoslav Republic of Macedonia, Tunisia, Turkey, Ukraine, United Arab Emirates, United Kingdom of Great Britain and Northern Ireland, United Republic of Tanzania, Uruguay, Venezuela (Bolivarian Republic of), Viet Nam, Yemen, Zambia, Zimbabwe.

Against:

Côte d'Ivoire, Israel, Palau, United States of America.

Abstaining:

Australia.

8. After the adoption of the draft resolution, statements were made by the representatives of Finland (on behalf of the States Members of the United Nations that are members of the European Union), Canada, the United States of America, Israel, Australia and Lebanon (see A/C.5/61/SR.36).

III. Recommendation of the Fifth Committee

9. The Fifth Committee recommends to the General Assembly the adoption of the following draft resolution:

Financing of the United Nations Interim Force in Lebanon

The General Assembly,

Having considered the report of the Secretary-General on the financing of the United Nations Interim Force in Lebanon,¹ the letter dated 17 August 2006 from the Secretary-General addressed to the President of the General Assembly² and the related report of the Advisory Committee on Administrative and Budgetary Questions,³

Recalling Security Council resolution 425 (1978) of 19 March 1978 regarding the establishment of the United Nations Interim Force in Lebanon and the subsequent resolutions by which the Council extended the mandate of the Force, the latest of which was resolution 1701 (2006) of 11 August 2006, by which the Council extended the mandate of the Force until 31 August 2007 and authorized an increase in the strength of the Force to a maximum of 15,000 troops,

Recalling also its resolution S-8/2 of 21 April 1978 on the financing of the Force and its subsequent resolutions thereon, the latest of which was resolution 60/278 of 30 June 2006,

Reaffirming its resolutions 51/233 of 13 June 1997, 52/237 of 26 June 1998, 53/227 of 8 June 1999, 54/267 of 15 June 2000, 55/180 A of 19 December 2000, 55/180 B of 14 June 2001, 56/214 A of 21 December 2001, 56/214 B of 27 June 2002, 57/325 of 18 June 2003, 58/307 of 18 June 2004, 59/307 of 22 June 2005 and 60/278,

Reaffirming also the general principles underlying the financing of United Nations peacekeeping operations, as stated in General Assembly resolutions 1874 (S-IV) of 27 June 1963, 3101 (XXVIII) of 11 December 1973 and 55/235 of 23 December 2000,

Noting with appreciation that voluntary contributions have been made to the Force,

Mindful of the fact that it is essential to provide the Force with the necessary financial resources to enable it to fulfil its responsibilities under the relevant resolutions of the Security Council,

1. *Requests* the Secretary-General to entrust the Head of the United Nations Interim Force in Lebanon with the task of formulating future budget proposals in full accordance with the provisions of General Assembly resolutions 59/296 of 22 June 2005 and 60/278, as well as other relevant resolutions;

2. *Takes note* of the status of contributions to the Force as at 31 October 2006, including the contributions outstanding in the amount of 67.9 million United

¹ A/61/588.

² A/60/986.

³ A/61/616.

States dollars, representing some 2 per cent of the total assessed contributions, notes with concern that only thirty-eight Member States have paid their assessed contributions in full, and urges all other Member States, in particular those in arrears, to ensure payment of their outstanding assessed contributions;

3. *Expresses its appreciation* to those Member States that have paid their assessed contributions in full, and urges all other Member States to make every possible effort to ensure payment of their assessed contributions to the Force in full;

4. *Expresses deep concern* that Israel did not comply with General Assembly resolutions 51/233, 52/237, 53/227, 54/267, 55/180 A, 55/180 B, 56/214 A, 56/214 B, 57/325, 58/307, 59/307 and 60/278;

5. *Stresses once again* that Israel should strictly abide by General Assembly resolutions 51/233, 52/237, 53/227, 54/267, 55/180 A, 55/180 B, 56/214 A, 56/214 B, 57/325, 58/307, 59/307 and 60/278;

6. *Expresses concern* at the financial situation with regard to peacekeeping activities, in particular as regards the reimbursements to troop contributors that bear additional burdens owing to overdue payments by Member States of their assessments;

7. *Also expresses concern* at the delay experienced by the Secretary-General in deploying and providing adequate resources to some recent peacekeeping missions, in particular those in Africa;

8. *Emphasizes* that all future and existing peacekeeping missions shall be given equal and non-discriminatory treatment in respect of financial and administrative arrangements;

9. *Also emphasizes* that all peacekeeping missions shall be provided with adequate resources for the effective and efficient discharge of their respective mandates;

10. *Reiterates its request* to the Secretary-General to make the fullest possible use of facilities and equipment at the United Nations Logistics Base at Brindisi, Italy, in order to minimize the costs of procurement for the Force;

11. *Endorses* the conclusions and recommendations contained in the report of the Advisory Committee on Administrative and Budgetary Questions,³ and requests the Secretary-General to ensure their full implementation, subject to the provisions of the present resolution;

12. *Takes note* of the proposal for the establishment of the Office of Political and Civil Affairs, as contained in paragraph 19 of the report of the Secretary-General,¹ and requests the Secretary-General to ensure, in reviewing the organizational structure of the Force, that it is in conformity with the mandate of the Force;

13. *Notes* the measures being undertaken by the Secretary-General, as set out in his letter;²

14. *Requests* the Secretary-General to further elaborate the rationale for and status of those measures implemented in the context of his next budget submission, during the first part of the resumed sixty-first session;

15. *Emphasizes* that the approval of commitment authority in no way implies approval of the establishment of posts or the creation of new functions;

16. *Recalls* section VIII of its resolution 60/266 of 30 June 2006, and, mindful of the significantly increased size and the increased area of operation of the Force, decides to authorize the provision of 500,000 dollars for quick-impact projects;

17. *Decides* to authorize, without setting a precedent, the utilization of an amount not exceeding 750,000 dollars for temporary fuel assistance for the Force to assist the deployment of the Lebanese Armed Forces in southern Lebanon;

18. *Reaffirms* its resolution 59/296, and requests the Secretary-General to ensure the full implementation of its relevant provisions and the relevant provisions of its resolution 60/266;

19. *Requests* the Secretary-General to take all necessary action to ensure that the Force is administered with a maximum of efficiency and economy;

20. *Also requests* the Secretary-General, in order to reduce the cost of employing General Service staff, to continue efforts to recruit local staff for the Force against General Service posts, commensurate with the requirements of the Force;

21. *Reiterates* its request to the Secretary-General to take the necessary measures to ensure the full implementation of paragraph 8 of its resolution 51/233, paragraph 5 of its resolution 52/237, paragraph 11 of its resolution 53/227, paragraph 14 of its resolution 54/267, paragraph 14 of its resolution 55/180 A, paragraph 15 of its resolution 55/180 B, paragraph 13 of its resolution 56/214 A, paragraph 13 of its resolution 56/214 B, paragraph 14 of its resolution 57/325, paragraph 13 of its resolution 58/307, paragraph 13 of its resolution 59/307 and paragraph 17 of its resolution 60/278, stresses once again that Israel shall pay the amount of 1,117,005 dollars resulting from the incident at Qana on 18 April 1996, and requests the Secretary-General to report on this matter to the General Assembly at its current session;

Budget estimates for the period from 1 July 2006 to 31 March 2007

22. *Authorizes* the Secretary-General to enter into commitments for the Force for the period from 1 July 2006 to 31 March 2007 in a total amount not exceeding 257,340,400 dollars, inclusive of the amount of 50 million dollars previously authorized by the Advisory Committee on Administrative and Budgetary Questions under the terms of section IV of General Assembly resolution 49/233 A of 23 December 1994 and in addition to the amount of 97,579,600 dollars already appropriated for the period from 1 July 2006 to 30 June 2007 under the terms of its resolution 60/278;

23. *Also authorizes* the Secretary-General to enter into commitments for the period from 1 July 2006 to 31 March 2007 in a total amount not exceeding 2,486,900 dollars for the support account for peacekeeping operations and in respect of the backstopping of the Force at Headquarters;

Financing of the commitment authority

24. *Decides* to apportion among Member States the amount of 257,340,400 dollars for the period from 1 July 2006 to 31 March 2007 for the expansion of the Force, in accordance with the levels updated in General Assembly resolution 58/256 of 23 December 2003, and taking into account the scale of assessments for 2006, as set out in its resolution 58/1 B of 23 December 2003, and the scale of assessments for 2007;⁴

25. *Also decides* that, in accordance with the provisions of its resolution 973 (X) of 15 December 1955, there shall be set off against the apportionment among Member States, as provided for in paragraph 24 above, their respective share in the Tax Equalization Fund of the amount of 2,305,800 dollars of the estimated staff assessment income approved for the Force;

26. *Emphasizes* that no peacekeeping mission shall be financed by borrowing funds from other active peacekeeping missions;

27. *Encourages* the Secretary-General to continue to take additional measures to ensure the safety and security of all personnel under the auspices of the United Nations participating in the Force;

28. *Invites* voluntary contributions to the Force in cash and in the form of services and supplies acceptable to the Secretary-General, to be administered, as appropriate, in accordance with the procedure and practices established by the General Assembly;

29. *Decides* to keep under review during its sixty-first session, under the item entitled "Financing of the United Nations peacekeeping forces in the Middle East", the sub-item entitled "United Nations Interim Force in Lebanon".

⁴ To be adopted by the General Assembly.

A/61/658

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Agenda items 47, 113, 116, 117, 122, 123, 132 and 149

**Integrated and coordinated implementation of and follow-up
to the outcomes of the major United Nations conferences
and summits in the economic, social and related fields**

Follow-up to the outcome of the Millennium Summit

**Review of the efficiency of the administrative and financial
functioning of the United Nations**

Programme budget for the biennium 2006-2007

**Scale of assessments for the apportionment of the expenses
of the United Nations**

Human resources management

**Administrative and budgetary aspects of the financing
of the United Nations peacekeeping operations**

United Nations reform: measures and proposals

Governance and oversight review and procurement reform

Report of the Fifth Committee

Rapporteur: Mr. Diego Simancas (Mexico)

I. Introduction

1. At its 2nd plenary meeting, on 13 September 2006, the General Assembly, on the recommendation of the General Committee, decided to include in the agenda of its sixty-first session the items entitled "Review of the efficiency of the administrative and financial functioning of the United Nations", "Programme budget for the biennium 2006-2007", "Scale of assessments for the apportionment of the expenses of the United Nations", "Human resources management" and "Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations" and to allocate them to the Fifth Committee. The Assembly further decided to allocate to the Fifth Committee, for consideration of the relevant reports of the Secretary-General, the items entitled "Integrated and



coordinated implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic, social and related fields", "Follow-up to the outcome of the Millennium Summit" and "United Nations reform: measures and proposals".

2. The Fifth Committee considered the items at its 9th, 30th and 36th meetings, on 23 October and 12 and 21 December 2006. Statements and observations made in the course of the Committee's consideration of the items are reflected in the relevant summary records (A/C.5/61/SR.9, 30 and 36).

3. For its consideration of the items, the Committee had before it the following documents:

Procurement reform

(a) Detailed report of the Secretary-General on investing in the United Nations: for a stronger Organization worldwide: procurement reform (A/60/846/Add.5 and Corr.1);

(b) Report of the Advisory Committee on Administrative and Budgetary Questions (A/60/904);

(c) Notes by the Secretary-General transmitting the report of the Joint Inspection Unit entitled "Procurement practices within the United Nations system" and his comments and those of the United Nations System Chief Executives Board for Coordination thereon (A/59/721 and Add.1);

Governance and oversight review

(d) Report of the Secretary-General on the implementation of decisions contained in the 2005 World Summit Outcome for action by the Secretary-General: comprehensive review of governance and oversight within the United Nations and its funds, programmes and specialized agencies (A/60/883 and Add.1 and 2);

(e) Notes by the Secretary-General transmitting the report of the Joint Inspection Unit entitled "Oversight lacunae in the United Nations system" and his comments and those of the United Nations System Chief Executives Board for Coordination thereon (A/60/860 and Add.1);

(f) Comments of the Joint Inspection Unit on the report of the Steering Committee on the Comprehensive Review of Governance and Oversight within the United Nations and Its Funds, Programmes and Specialized Agencies (A/60/1004);

(g) Report of the Advisory Committee on Administrative and Budgetary Questions (A/61/605);

(h) Detailed report of the Secretary-General on investing in the United Nations for a stronger Organization worldwide: accountability (A/60/846/Add.6);

(i) Report of the Advisory Committee on Administrative and Budgetary Questions (A/60/909);

(j) Report of the Secretary-General on accountability measures (A/61/546);

(k) Detailed report of the Secretary-General on investing in the United Nations for a stronger Organization worldwide: updated terms of reference for the Independent Audit Advisory Committee (A/60/846/Add.7);

(l) Report of the Advisory Committee on Administrative and Budgetary Questions (A/60/903);

(m) Report of the Office of Internal Oversight Services on proposals for strengthening the Office of Internal Oversight Services (A/60/901).

II. Consideration of draft proposals

A. Draft resolution A/C.5/61/L.15

4. At its 36th meeting, on 21 December, the Committee had before it a draft resolution entitled "Comprehensive review of governance and oversight within the United Nations and its funds, programmes and specialized agencies" (A/C.5/61/L.15), submitted by the Chairman of the Committee on the basis of informal consultations coordinated by the representative of Belgium.

5. At the same meeting, the Committee adopted draft resolution A/C.5/61/L.15 without a vote (see para. 8, draft resolution I).

B. Draft resolution A/C.5/61/L.23

6. At its 36th meeting, on 21 December, the Committee had before it a draft resolution entitled "Procurement reform" (A/C.5/61/L.23), submitted by the Chairman of the Committee on the basis of informal consultations coordinated by the representative of the Netherlands.

7. At the same meeting, the Committee adopted draft resolution A/C.5/61/L.23 without a vote (see para. 8, draft resolution II).

III. Recommendation of the Fifth Committee

8. The Fifth Committee recommends to the General Assembly the adoption of the following draft resolutions:

Draft resolution I

Comprehensive review of governance and oversight within the United Nations and its funds, programmes and specialized agencies

The General Assembly,

Having considered the report of the Secretary-General on the comprehensive review of governance and oversight within the United Nations and its funds, programmes and specialized agencies,¹ the report of the Joint Inspection Unit on oversight lacunae in the United Nations system² and the note by the Secretary-General transmitting his comments and those of the United Nations System Chief Executives Board for Coordination thereon,³ the comments of the Joint Inspection Unit on the report of the Steering Committee on the Comprehensive Review of Governance and Oversight within the United Nations and Its Funds, Programmes and Specialized Agencies,⁴ the detailed report of the Secretary-General on investing in the United Nations for a stronger Organization worldwide: accountability⁵ and the report of the Secretary-General on accountability measures,⁶ the detailed report of the Secretary-General on investing in the United Nations for a stronger Organization worldwide: updated terms of reference for the Independent Audit Advisory Committee,⁷ the report of the Office of Internal Oversight Services on proposals for strengthening the Office of Internal Oversight Services,⁸ the interim report of the Advisory Committee on Administrative and Budgetary Questions on investing in the United Nations for a stronger Organization worldwide: updated terms of reference for the Independent Audit Advisory Committee,⁹ the report of the Advisory Committee on investing in the United Nations for a stronger Organization worldwide: detailed report on accountability¹⁰ and the report of the Advisory Committee on the comprehensive review of governance and oversight within the United Nations and its funds, programmes and specialized agencies,¹¹

1. *Takes note* of the report of the Secretary-General on the comprehensive review of governance and oversight within the United Nations and its funds, programmes and specialized agencies,¹ the report of the Joint Inspection Unit on oversight lacunae in the United Nations system² and the note by the Secretary-General transmitting his comments and those of the United Nations System Chief

¹ A/60/883 and Add.1 and 2.

² See A/60/860.

³ See A/60/860/Add.1.

⁴ A/60/1004.

⁵ A/60/846/Add.6.

⁶ A/61/546.

⁷ A/60/846/Add.7.

⁸ A/60/901.

⁹ A/60/903.

¹⁰ A/60/909.

¹¹ A/61/605.

Executives Board for Coordination thereon,³ the comments of the Joint Inspection Unit on the report of the Steering Committee on the Comprehensive Review of Governance and Oversight within the United Nations and Its Funds, Programmes and Specialized Agencies,⁴ the detailed report of the Secretary-General on investing in the United Nations for a stronger Organization worldwide: accountability⁵ and the report of the Secretary-General on accountability measures,⁶ the detailed report of the Secretary-General on investing in the United Nations for a stronger Organization worldwide: updated terms of reference for the Independent Audit Advisory Committee,⁷ the interim report of the Advisory Committee on Administrative and Budgetary Questions on investing in the United Nations for a stronger Organization worldwide: updated terms of reference for the Independent Audit Advisory Committee,⁹ and the report of the Advisory Committee on investing in the United Nations for a stronger Organization worldwide: detailed report on accountability;¹⁰

2. *Endorses* the conclusions and recommendations of the Advisory Committee on Administrative and Budgetary Questions on the comprehensive review of governance and oversight within the United Nations and its funds, programmes and specialized agencies;¹¹

3. *Requests* the Secretary-General to submit the following reports for its consideration at the first part of its resumed sixty-first session:

(a) Revised terms of reference for the Independent Audit Advisory Committee;

(b) Strengthening of the Office of Internal Oversight Services;

4. *Also requests* the Secretary-General to submit the following reports for its consideration at the second part of its resumed sixty-first session if possible, but not later than by the end of its sixty-first session:

(a) Enterprise risk management and internal control framework;

(b) Results-based management;

(c) Accountability framework.

Draft resolution II

Procurement reform

The General Assembly,

Recalling its resolutions 54/14 of 29 October 1999, 55/247 of 12 April 2001, 57/279 of 20 December 2002, 58/276 and 58/277 of 23 December 2003, 59/288 and 59/289 of 13 April 2005, 60/1 of 16 September 2005, 60/260 of 8 May 2006, 60/266 of 30 June 2006 and 60/283 of 7 July 2006,

Having considered the detailed report of the Secretary-General on investing in the United Nations for a stronger Organization worldwide: procurement reform,¹ the report of the Joint Inspection Unit on procurement practices within the United Nations system and the note by the Secretary-General transmitting his comments and those of the United Nations System Chief Executives Board for Coordination thereon² and the related report of the Advisory Committee on Administrative and Budgetary Questions,³

1. *Takes note* of the report of the Secretary-General,¹ the report of the Joint Inspection Unit on procurement practices within the United Nations system and the note by the Secretary-General transmitting his comments and those of the United Nations System Chief Executives Board for Coordination thereon;²

2. *Endorses* the conclusions and recommendations contained in the report of the Advisory Committee on Administrative and Budgetary Questions,³ subject to the provisions of the present resolution;

3. *Stresses* the importance of strengthened accountability in the Organization and of ensuring greater accountability of the Secretary-General to Member States, inter alia, for the effective and efficient implementation of legislative mandates on procurement and the related use of financial and human resources, as well as the provision of necessary information on procurement-related matters to enable Member States to make well-informed decisions;

4. *Recognizes* that procurement reform is an ongoing process and should focus, inter alia, on ensuring the efficiency, transparency and cost-effectiveness of United Nations procurement as well as strengthened internal controls, greater accountability to Member States and full implementation of General Assembly resolutions on procurement reform;

5. *Recalls* its resolutions on procurement reform, and notes that the report of the Secretary-General focused mainly on strengthening of internal controls and optimization of acquisition and procurement management, with emphasis on urgent internal control issues, and that other procurement reform measures will be presented in forthcoming reports;

6. *Reiterates its request* to the Secretary-General to submit proposals to effectively increase procurement opportunities for and the participation of vendors from developing countries;

¹ A/60/846/Add.5 and Corr.1.

² See A/59/721 and Add.1.

³ A/60/904.

7. *Requests* the Secretary-General to submit to the General Assembly at its sixty-second session a comprehensive report on all aspects of procurement reform, including the outstanding reports referred to in paragraph 4 of the report of the Advisory Committee on Administrative and Budgetary Questions, as well as measures taken to implement its resolutions on procurement reform and the status of implementation of recommendations of the oversight bodies;

Staff

8. *Requests* the Secretary-General to ensure that all staff in the Secretariat involved in procurement activities, including at the senior levels, file financial disclosure statements annually;

9. *Regrets* that the Secretary-General has not submitted proposals related to the issue of conflict of interest requested by the General Assembly in section V, paragraph 9, of its resolution 60/266 at the main part of its sixty-first session, and requests him to do so no later than by the second part of its resumed sixty-first session;

10. *Stresses* the importance of developing and implementing an ethics and integrity programme for the procurement staff, and requests the Secretary-General to complete and issue ethics guidelines no later than June 2007 for all staff involved in the procurement process;

11. *Welcomes* the initiatives of the Secretary-General in undertaking training programmes for United Nations procurement staff, including in the field, and requests the Secretary-General to evaluate their impact and monitor their implementation and to submit proposals on making any further improvements necessary in the training of staff in procurement processes;

Internal controls

12. *Requests* the Secretary-General to further enhance transparency in the procurement decision-making process through, inter alia, the establishment of an independent bid protest system outside of the reporting hierarchy of the Procurement Division of the Department of Management of the Secretariat in order to furnish vendors participating in tenders with a means of disputing procurement-related decisions;

13. *Also requests* the Secretary-General to report to the General Assembly on the specific modalities of the bid protest system and related procedures, including possible legal and financial implications;

14. *Further requests* the Secretary-General to include information, as appropriate, on the bid protest system on the website of the Procurement Division;

15. *Notes* the promotion by the Procurement Division of the voluntary principles of the corporate social responsibility initiative, the Global Compact, within the United Nations procurement framework, and requests the Secretary-General, as appropriate, to report to the General Assembly for further consideration;

16. *Notes with appreciation* that the Supplier Code of Conduct has been promulgated and posted on the website of the Procurement Division with a view to achieving the goal of safeguarding the integrity of the United Nations in procurement activities;

17. *Requests* the Secretary-General to continue to simplify and streamline the vendor registration process, to share responsibilities among the various United Nations organizations and to take into account the different circumstances and varying levels of Internet access in countries and to report to the General Assembly at its sixty-second session, in the context of the comprehensive report, on the results achieved;

Governance

18. *Notes with concern* the possible weaknesses in the control environment with regard to procurement activities owing, inter alia, to the splitting of responsibilities between the Department of Management and the Department of Peacekeeping Operations, as referred to in paragraph 14 of the report of the Advisory Committee on Administrative and Budgetary Questions;

19. *Requests* the Secretary-General to submit to it at the second part of its resumed sixty-first session a comprehensive report on the following elements:

(a) The management arrangements for procurement, including clear lines of accountability and delegation of authority;

(b) The findings of the working group established to examine ways in which the organizational structure could be changed to better align responsibility with authority and to improve the overall control environment for procurement for peacekeeping operations;

(c) The respective responsibilities of the Department of Management and the Department of Peacekeeping Operations;

(d) Streamlined procurement procedures for peacekeeping operations in the field, including specific information on mechanisms for strengthened monitoring, oversight and accountability;

(e) The functioning of the Headquarters Contracts Committee and the local committees on contracts;

Procurement opportunities for vendors from developing countries and countries with economies in transition

20. *Requests* the Secretary-General to explore additional ways to improve procurement opportunities for vendors from developing countries and countries with economies in transition both at Headquarters and in the field and to report thereon to the General Assembly at the second part of its resumed sixty-first session;

21. *Recalls* section VII, paragraph 2, of its resolution 60/266, and requests the Secretary-General to ensure that information on procurement opportunities at Headquarters and in peacekeeping operations is made available to business communities in developing countries and countries with economies in transition, through, inter alia, continued cooperation between the Department of Public Information and the Procurement Division of the Department of Management, utilizing the United Nations information centres and offices;

22. *Recognizes* the efforts by the Procurement Division to increase the number of business seminars in developing countries, and requests the Secretary-General, in his capacity as Chairman of the United Nations System Chief Executives

Board for Coordination, to encourage the organizations of the United Nations system to facilitate, in cooperation with Member States, the organization of business seminars in developing countries and countries with economies in transition;

23. *Requests* the Secretary-General to invite the Inter-Agency Procurement Working Group to continue to study ways and means and recommend concrete proposals to diversify the sourcing of goods and services, in particular from developing countries and countries with economies in transition;

24. *Also requests* the Secretary-General to encourage the organizations of the United Nations system, consistent with their respective mandates, to take further steps to increase procurement opportunities for vendors from developing countries and countries with economies in transition;

Procurement management

25. *Recalls* that the General Assembly has not yet taken a decision on the lead agency concept, and reiterates its request to the Secretary-General to include in his report an assessment of the internal controls of the United Nations organizations and how they differ from those of the Procurement Division;

26. *Recognizes* that the lead agency concept is being developed and that extensive consultations are under way within the United Nations system, and requests the Secretary-General to report to the General Assembly for consideration at its sixty-second session on proposals for the lead agency concept and the status of consultations, including on clear lines of accountability, the applicability of resolutions and decisions of the Assembly, the impact on efforts to improve the diversification of the origin of vendors, possible efficiency gains and cost savings and distribution of resources within the United Nations system, enabling proposed designated buyers to manage larger procurement activities;

27. *Requests* the Secretary-General to continue to encourage all the organizations of the United Nations system, consistent with their respective mandates, to further improve their procurement practices, inter alia, by participating in the United Nations Global Marketplace with a view to creating one common United Nations global procurement website;

28. *Stresses* the need to ensure transparency in procurement throughout the United Nations system, and requests the Secretary-General to ensure that the United Nations Global Marketplace website is fully accessible to Member States no later than 1 June 2007;

29. *Requests* the Secretary-General to ensure that the United Nations Global Marketplace website, inter alia, features lists of companies that register through the Global Marketplace as vendors of United Nations system entities, as well as statistics on contract awards, acquisition plans and procurement notices;

30. *Encourages* the Secretary-General to extend participation and improve the level of collaboration, coordination and information-sharing among the organizations of the United Nations system with respect to procurement activities in order to achieve economies of scale and eliminate duplication of work;

31. *Notes* the activities of the Inter-Agency Procurement Working Group and of the Common Services Procurement Working Group on enhancing the transparency and increasing the harmonization of procurement practices, and

requests the Secretary-General, in consultation with the executive heads of the United Nations funds and programmes, to continue work in this regard;

32. *Recalls* paragraph 10 of its resolution 59/288, and, noting paragraphs 65 and 66 of the report of the Secretary-General, requests the Secretary-General to report comprehensively to the General Assembly at its sixty-second session on the principle of best value for money and its implementation in United Nations procurement, including, *inter alia*, its possible effect on the diversification of vendors and suppliers and on efforts to improve procurement for vendors from developing countries and countries with economies in transition;

33. *Requests* the Secretary-General to continue to develop clear guidelines for the implementation of the best value for money methodology in United Nations procurement and to report thereon to the General Assembly at its sixty-second session;

Other Issues

34. *Requests* the Secretary-General to implement measures to reduce the timeline associated with the payment of invoices;

35. *Also requests* the Secretary-General to ensure that a monthly update of contract award statistics is posted on the website of the Procurement Division;

36. *Further requests* the Secretary-General to continue to improve the website of the Procurement Division and make it more user-friendly;

37. *Requests* the Secretary-General to report to the General Assembly, in the context of the comprehensive report, on the implementation of the provisions of the present resolution;

Resources

38. *Decides* to approve the conversion of twenty positions funded under general temporary assistance to established posts under the support account for peacekeeping operations for the period ending 30 June 2007, as follows:

(a) Procurement Division, Department of Management: eleven posts (one P-5, three P-4, four P-3, one General Service (Principal level) and two General Service (Other level));

(b) Office of Mission Support, Department of Peacekeeping Operations: two posts (one P-5 and one P-4);

(c) Headquarters Committee on Contracts, Department of Management: three posts (one D-1, one P-4 and one General Service (Other level));

(d) General Legal Division, Office of Legal Affairs: four posts (two P-5, one P-4 and one General Service (Other level));

39. *Also decides* to approve the conversion of the six positions (one D-1, four P-4 and one P-3) for the Procurement Division funded under general temporary assistance to established posts and an amount of 706,500 United States dollars, representing the balance of the resource requirements for the six posts under the support account for peacekeeping operations for the period ending 30 June 2007;

40. *Further decides* that three of the posts established above (one P-4, one P-3 and one General Service (Other level)) will be designated to the Vendor Registration and Management Team with a view to, inter alia, promoting the diversification of the origin of vendors among all Member States, including developing countries and countries with economies in transition, simplifying vendor registration, managing the vendor database and liaising with vendors;

41. *Approves* the resource requirements of 1,050,000 dollars proposed in the report of the Secretary-General for the Procurement Division under the support account for peacekeeping operations for the rest of the fiscal year ending 30 June 2007, as follows:

(a) 200,000 dollars for consultants to review industry practices and procurement models in specific industries relevant to United Nations requirements;

(b) 800,000 dollars for training of both Headquarters and peacekeeping mission procurement staff (640,000 dollars for consultants to organize training, 150,000 dollars for travel of staff for procurement training and 10,000 dollars for training-related supplies and materials);

(c) 50,000 dollars for travel in relation to business seminars;

42. *Also approves* the reclassification of the Chief of Procurement post from the D-1 to the D-2 level;

43. *Requests* the Secretary-General to comprehensively review the post and non-post requirements of the Procurement Division, taking into account General Assembly resolutions, including the present one, on procurement reform, and to submit proposals based on identified requirements in the context of the budget for the support account for the period from 1 July 2007 to 30 June 2008 and the proposed programme budget for the biennium 2008-2009.